

## HIGHLIGHTS OF THE FINAL FY 2003 HIGHER EDUCATION OPERATING BUDGET

<u>Programs/Appropriations</u>	<u>FY 2003 Original Budget</u>	<u>Final Budget after Vetoes</u>
<b>Total Higher Education Appropriations</b>		
Dollar amount	\$1,434.9 million (\$1,362.1 million in FY 2002)	\$1,366.6 million, reduction of \$68.3 million (-4.8%) from original FY 2003
Percent increase over FY 2002	+ 5.3% above fiscal year 2002	+ .3% above fiscal year 2002
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<b>Enrollment Increases</b>		
Total new student FTEs	2,587 total--1,820 CTC and 767 baccalaureate	Currently budgeted enrollments unchanged (except for workforce addition), notwithstanding the operating budget reductions
CTC workforce training	Included above	1,320 CTC workforce FTEs added
Total dollar amount	\$24.5 million increase in FY 2003	\$4.0 million state funds and \$2.6 million unemployment compensation funds added for workforce FTEs
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<b>Financial Aid</b>		
State Need Grant	\$12.1 million above FY 2002 to add students and cover tuition increases. Assumes 55% median family income	\$2.2 million added to cover larger tuition increases
State Work Study	Increases average award and adds students	No change
Promise Scholarships	Scholarships up to CTC tuition and fees for top 15%	\$2.4 million cut to limit new awards in FY 2003 to a maximum of \$1,000 per student
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<b>Salaries</b>		
General Increases	\$50.2 million would fund a 2.6% general increase for <u>all</u> employees with the second year to be determined by 2002 legislature. Covers portion of tuition-supported employees	\$21.5 million cut by reducing FY 2003 increases from 2.6% to 0% for non-I-732 employees, and an increase of \$1.4 million for I-732 employees to bring the percentage increase up to 3.6%
Recruitment/retention	NA	\$6 million provided to four-year institutions was <b>vetoed</b>
CTC faculty increments	\$1.2 million	\$1.2 million cut
Health insurance costs and other benefits	Health insurance premiums paid by the state and by employees are both increased and coverages reduced	Health insurance premiums for employees increased \$4.4 million and coverages reduced further, pension contributions reduced \$2.2 million
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**Operating Cost Reductions**

\$10.0 million cut--2% of non-instructional budgets (libraries, support activities, student services, research, facility maintenance)

\$53.9 million total cut--baccalaureates cut \$37.6 million and CTCs cut \$16.3 million. This is a 5% and 3% cut, respectively. Budgeted enrollment increases are maintained.

**Programs/Appropriations****FY 2003 Original Budget****Final Budget after Vetoes****Tuition****Limits**

6.1% cap for full-time students; 12% for law and graduate business; 20% for UW graduate business

For FY 2003, full-time resident undergraduate increases remain set by legislature and limited to 16% for research, 14% for comprehensive, and 12% for the CTCs. Tuition for non-resident/graduate/law/professional students is unlimited

**Institution flexibility**

Up to specified limit

Up to specified limits for resident undergraduate, no limits for other students

**Full-time/part-time student designation**

No changes to current practice

No changes to current practice

**Non-resident graduate instructional costs**

No changes to current practice

No changes to current practice

**Financial aid set-aside from tuition increases**

NA

None

**Tuition waivers**

No changes to current practice

Institutions are encouraged to reduce tuition waivers

**FY 2003 tuition increases to compensate for budget reductions**

NA

If institutions raise tuition for all students up to the maximum allowed for resident undergraduates, the four-years (in total) will receive new revenue equal to almost 2/3 of their 5% budget reduction, and the CTCs will receive new revenues equal to over half of their 3% budget reduction

**HECB operations****Financial aid administration**

NA

Cuts to FY 2003 budget

**Policy Analysis operating reduction**

NA

\$120,000 cut from FY 2003 budget

**Other****Lawsuit settlement**

NA

\$9.5 million for lawsuit related to retirement contributions for part-time CTC faculty

**Studies**

NA

Funding was **vetoed** for the Institute for Public Policy at TESC in the amount of \$60,000 to complete four studies, including a review and evaluation of the mission of the branch campuses and a review of the mission and operations of the HECB

**Enrollment recovery efforts**

NA

Central Washington University funding of \$350,000 to continue enrollment recovery efforts in FY 2003 was **vetoed**